

16 NOV 1974

Haldeman Lawyers Cite Concern for C.I.A.

By LESLEY OELSNER

Special to The New York Times

WASHINGTON, Nov. 15 — Lawyers for H. R. Haldeman, the former White House chief of staff, began presenting today one of the major elements of his defense in the Watergate cover-up trial—that his intercession in the initial Watergate investigation had been justified by legitimate concerns of the Central Intelligence Agency.

The lawyers did so in conjunction with their cross-examination of Gen. Vernon A. Walters, deputy director of Central Intelligence.

General Walters had testified earlier that on June 23, 1972, six days after the break-in at Democratic national headquarters in the Watergate complex, Mr. Haldeman directed him to tell the acting head of the Federal Bureau of Investigation, L. Patrick Gray 3d, that further F.B.I. inquiry into one aspect of the Watergate investigation could uncover C.I.A. operations in Mexico.

Mr. Gray also testified at the trial about receiving this message from General Walters.

Mr. Haldeman's attorneys sought today to show that there were in fact C.I.A. operations in Mexico that could have been uncovered.

Not Before Jury

The lawyers, Frank Strickler and John J. Wilson, first made their argument outside the presence of the jury during a heated dispute over the extent of the cross-examination they would be allowed.

Essentially, they argued that there were C.I.A. activities in Mexico at the time in question, and that it was a "legitimate concern" that the F.B.I. investigation might interfere with those activities.

They said they were prepared to take the stand in his defense and testify about it.

During the argument, the chief prosecutor, James F. Neal, branded the Haldeman contentions "utter foolishness." Judge John J. Sirica had the prosecution replay the three tape recordings of Mr. Haldeman's conversations on June 23 with President Nixon.

When they were over, he indicated some skepticism about the lawyer's arguments.

The tapes show that Mr. Nixon and Mr. Haldeman discussed the political damage that could result if the F.B.I. pursued its inquiry into the money that had been found in the possession of the Watergate burglars. The money could be

traced to certain bank checks and those checks could be traced to the Committee for the Re-election of the President.

Several of these checks were drawn on a Mexican bank. Hence, the concern about Mexico. As the prosecution views the case, the F.B.I. was instructed to limit its investigation because White House and campaign officials did not want the Mexican checks traced.

The contention that the F.B.I. inquiry could injure C.I.A. operations in Mexico, according to the prosecution, was just a convenient ploy and had nothing to do with legitimate intelligence concerns.

"What about the statement" by Mr. Nixon on one of the tapes saying "Our concern is political?" Judge Sirica asked, after the three tapes were played.

"I heard that there, your honor," Mr. Strickler replied. But he said he also heard the former President's statement that the C.I.A. was not to be told of political concerns.

Mr. Strickler also suggested that the portions of the tapes played by the prosecution were largely "irrelevant" to the questions he wanted to ask General Walters.

Mr. Neal, who announced later in the day that the prosecution would rest its case next Thursday after a final two and a half days of playing of White House tapes, repeated his objection to the Haldeman assertions, saying they were contradicted by the June 23 tapes.

Cites Statements

But Mr. Haldeman's attorneys persisted. And after a recess, Judge Sirica ruled that they could have most of the leeway they wanted in cross-examining General Walters in an effort to make their point.

Mr. Strickler conducted the cross-examination. He referred to a number of statements that General Walters had made to various Congressional committees and investigators, some of them somewhat contradictory, often only in detail, to the testimony at the trial.

He elicited from General Walters, for instance, the concession that he had told one of those committees that he knew that there were operations in Mexico in 1972. At the trial he had been somewhat equivocal on the point.

The lawyer also elicited a second concession regarding the witness's Congressional testimony that appeared much more important until Mr. Neal's further questioning later

It was that General Walters had said that Richard C. Helms, then the Director of Central Intelligence, had said that while the C.I.A. was not involved in Watergate, continued F.B.I. pursuits of its investigation might uncover techniques and methods the intelligence agency used for handling money.

From the way Mr. Strickler asked the question and General Walters replied, it appeared that Mr. Helms had made this remark on June 23, 1972, in the meeting among Mr. Haldeman, John D. Ehrlichman, former White House domestic adviser, who is also a defendant, Mr. Helms and General Walters. This was a meeting at which Mr. Haldeman gave his directive about the F.B.I. investigation.

Didn't Recall Remark

On further examination, General Walters said that he did not recall Mr. Helms making that remark.

Judge Sirica said that if any of the defendants wanted Mr. Helms to appear at the trial, he would consider calling him as a witness.

The other defendants are John N. Mitchell, former Attorney General; Robert C. Mardian, a former Assistant Attorney General, and Kenneth Wells Parkinson, a lawyer for the Nixon re-election committee.

Mr. Strickler also drew from General Walters an assertion that when he went to see Mr. Gray on June 23, to relay Mr. Haldeman's directive, he mentioned the so-called "limitation agreement" in which the C.I.A. and the F.B.I. each agreed to advise one another if either should in an investigation run into the other agency's operation.

In addition, he won General Walters's agreement that when he, the general, left the June 23 meeting with Mr. Haldeman, he did not think Mr. Haldeman had done anything wrong.

The effect of these statements was apparently diminished later, however, for under questioning by Mr. Neal, he said he had not known at the time that Mr. Haldeman and Mr. Nixon had just been discussing the political reasons why they wanted the F.B.I. inquiry halted.

Wilson Complaint

Many of the arguments at the trial have been part angry, part good-humored. So, too, today, Mr. Wilson rose at one point to complain that Judge Sirica had just said that he wanted to "find out" what Mr. Haldeman's "defense" was.

"I object to that," Mr. Wilson said heatedly.

"I don't know if I put it in those words," Judge Sirica replied in a mild voice.

Mr. Wilson interrupted in a near-shout to say that the judge had used just those words.

"I didn't mean to indicate you have to put on a single witness" in defense, Judge Sirica said. "If I said it, it was in error."

Mr. Wilson was not mollified. "We stand before you with the presumption of innocence," he shouted.

"Is that all you want to say?" the judge asked, his tone patient.

"I want to object," Mr. Wilson replied, even more loudly than before.

Collecting Errors

Judge Sirica looked at the 73-year-old lawyer, who is an old friend of his. During the trial, however, he has made it clear that he is trying to collect enough errors by the judge to enable him to appeal the case should it end in conviction.

"All right," Judge Sirica said, smiling. "Your objection is in your bag of errors."

Mr. Neal at the end of the day was reading to the jury stipulations of facts that prosecution and defense lawyers had entered into.

He came to what he said was a stipulation with Mr. Mitchell's attorneys regarding one count charging Mr. Mitchell with making false statements. He said he was going to read from a transcript of Mr. Mitchell's testimony before the Senate—testimony in which he allegedly made the false statements.

Mitchell Attorney Objects

William G. Hundley, Mr. Mitchell's attorney, rose to object. He said he had stipulated only that the transcript was an accurate one, not that Mr. Neal could read it before the judge ruled on such issues as relevancy and materiality.

It was, he said, "a bit of a cheap shot" for Mr. Neal to read the transcript to the jury.

Mr. Neal, who once worked at the Justice Department with Mr. Hundley, glared at his former colleague.

"I object totally" to that remark, he said.

Judge Sirica tried to settle the matter by suggesting that the lawyers put their stipulations in writing before reporting them to the jury.

Mr. Hundley repeated that he had stipulated only to the transcript's accuracy.